

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02273A
Ehrenberg Water Co.
PO Box 50
Ehrenberg, AZ 85334

ANNUAL REPORT
RECEIVED

MAR 31 2006

Z Corporation Commissic
Director of Utilities

FOR YEAR ENDING

12	31	2005
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3-31-06
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FOR COMMISSION USE

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COMPANY INFORMATION

(E.I.A. Water Department)

Company Name (Business Name) Ehrenberg Improvement Association

Mailing Address P.O. Box 315

(Street)

Ehrenberg

(City)

Arizona

(State)

85334-0315

(Zip)

928-923-9388

928-923-9389

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address ehrenbergwater@verizon.net

Local Office Mailing Address same as above

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: _____

(Name)

(Title)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Joseph D. Leach

(Name)

50078 Ehrenberg-Parker Hwy., PO Box 315, Ehrenberg, AZ 85334-0315

(Street)

(City)

(State)

(Zip)

928-923-8584

928-923-9389

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address ehrenbergwater@verizon.net

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: <u>Joseph D. Leach</u>			
(Name)			
<u>50078 Ehrenberg-Parker Hwy., ste.110, Ehrenberg, AZ. 85334</u>			
(Street)	(City)	(State)	(Zip)
<u>928-923-9388</u>	<u>928-923-9389</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: <u>Robbins & Green, P.A.</u>			
(Name)			
<u>3300 N. Central Ave., ste.1800, Phoenix, AZ. 85012</u>			
(Street)	(City)	(State)	(Zip)
<u>602-248-7600</u>	<u>602-266-5369</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|--|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input checked="" type="checkbox"/> Other (Describe) <u>Non Profit Corporation</u> | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input checked="" type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME Ehrenberg Improvement Association

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	4,800	-	4,800
304	Structures and Improvements	23,238	7,871	15,367
307	Wells and Springs			
311	Pumping Equipment	74,723	64,441	10,282
320	Water Treatment Equipment	16,016	16,016	-0-
330	Distribution Reservoirs and Standpipes	455,634	144,737	310,897
331	Transmission and Distribution Mains	1,068,267	548,814	519,453
333	Services			
334	Meters and Meter Installations	85,854	45,503	40,351
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,854	2,481	2,373
341	Transportation Equipment	63,380	31,462	31,918
343	Tools, Shop and Garage Equipment	3,330	1,756	1,574
344	Laboratory Equipment	2,396	1,046	1,350
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,802,492	864,127	938,365

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Ehrenberg Improvement Association

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	4,800	-	-0-
304	Structures and Improvements	23,238	2	465
307	Wells and Springs			
311	Pumping Equipment	74,723	10	7,472
320	Water Treatment Equipment	16,016	20	-0-
330	Distribution Reservoirs and Standpipes	455,634	2	9,113
331	Transmission and Distribution Mains	1,068,267	2	21,365
333	Services			
334	Meters and Meter Installations	85,854	333	2,839
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,854	20	971
341	Transportation Equipment	63,380	20	12,676
343	Tools, Shop and Garage Equipment	3,330	20	666
344	Laboratory Equipment	2,396	20	479
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,802,492		56,046

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 11,369	\$ 10,486
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	18,287	21,490
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	2,363	4,664
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 32,019	\$ 36,640
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1,779,827	\$ 1,802,491
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	<808,081>	<864,127>
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 971,746	\$ 938,364
	TOTAL ASSETS	\$ 1,003,765	\$ 975,004

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 13,251	\$ 18,460
232	Notes Payable (Current Portion)	54,500	67,450
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	4,870	7,150
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	5,332	2,900
	TOTAL CURRENT LIABILITIES	\$ 77,953	\$ 95,960
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 726,921	\$ 684,029
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ -0-	\$
	TOTAL LIABILITIES	\$ 804,874	\$ 779,989
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 198,891	\$ 195,015
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$ 1,003,765	\$ 975,004

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 306,034	\$ 282,868
460	Unmetered Water Revenue		
474	Other Water Revenues	9,382	20,354
	TOTAL REVENUES	\$ 315,416	\$ 303,223
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 67,941	\$ 74,915
610	Purchased Water		
615	Purchased Power	17,383	13,675
618	Chemicals	16,856	6,430
620	Repairs and Maintenance	10,297	14,486
621	Office Supplies and Expense	3,915	13,546
630	Outside Services	8,645	976
635	Water Testing	14,316	15,070
641	Rents	5,213	8,285
650	Transportation Expenses	3,946	6,612
657	Insurance – General Liability	6,669	11,986
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	103,712	34,772
403	Depreciation Expense	53,844	56,046
408	Taxes Other Than Income	9,140	9,392
408.11	Property Taxes	14,460	22,989
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 336,337	\$ 289,180
	OPERATING INCOME/(LOSS)	\$ <20,921>	\$ 14,042
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 69	\$ 51
421	Non-Utility Income	2,393	3,825
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	24,240	21,796
	TOTAL OTHER INCOME/(EXPENSE)	\$ <21,778>	\$ <17,920>
	NET INCOME/(LOSS)	\$ <42,699>	\$ <3,877>

COMPANY NAME Ehrenberg Improvement Association

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	11/79	6/95	9/04	
Source of Loan	USDA	USDA	GMAC	
ACC Decision No.				
Reason for Loan	Construction	Construction	Truck	
Dollar Amount Issued	\$ 600,000	\$ 92,100	\$ 31,332	\$
Amount Outstanding	\$ 364,552	\$ 78,914	\$ 23,500	\$
Date of Maturity	6/2018	3/2034	10/2009	
Interest Rate	5 %	4.5 %	-0- %	%
Current Year Interest	\$ 19,317	\$ 3,627	\$ -0-	\$
Current Year Principle	\$ 19,097	\$ 1,353	\$ 6,267	\$

Meter Deposit Balance at Test Year End

\$ 7,150

Meter Deposits Refunded During the Test Year

\$ 2

COMPANY NAME Ehrenberg Improvement Association

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
N/A						

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
RIVER PUMP	600	150,062

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
NONE		63	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
600,000	2	30,000	1

COMPANY NAME Ehrenberg Improvement Association

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8	AC	8220
10		
12	AC	267000

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	185
1	80
1 1/2	11
2	13
Comp. 3	6
Turbo 3	
Comp. 4	2
Turbo 4	
Comp. 6	2
Turbo 6	
Comp. 8	1

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

30X40 Steel Storage Building

6X5 Steel Water Treatment Building

10X20 Office for recording equipment

OTHER:

COMPANY NAME: Ehrenberg Improvement Association

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	362		
FEBRUARY	362	5,302,918	6,422,000
MARCH	365	7,502,276	11,995,000
APRIL	364	9,146,251	12,163,000
MAY	364	10,505,313	14,847,000
JUNE	363	15,166,546	15,654,000
JULY	363	14,615,799	16,403,000
AUGUST	363	13,803,691	14,632,000
SEPTEMBER	360	11,593,124	14,902,000
OCTOBER	360	10,983,725	13,173,000
NOVEMBER	360	9,519,846	10,530,000
DECEMBER	358	8,410,871	9,939,000
TOTAL		133,863,155	150,062,000

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. _____ mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Ehrenberg Improvement Association YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 17,874.93

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Taxes

MAR 31 2006

Z Corporation Commissic
Director of Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	La Paz
NAME (OWNER OR OFFICIAL) TITLE	Joseph D. Leach, Water Manager
COMPANY NAME	Ehrenberg Improvement Association

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

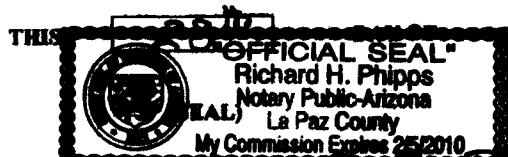
I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Joseph D. Leach
SIGNATURE OF OWNER OR OFFICIAL
978-923-9388
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



MY COMMISSION EXPIRES 2-5-2010

COUNTY NAME	La Paz
MONTH	March
	2006

Richard H. Phipps
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Ehrenberg Improvement Association YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported
Estimated or Actual Federal Tax Liability

N/A
0

State Taxable Income Reported
Estimated or Actual State Tax Liability

N/A
0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

N/A
SIGNATURE

DATE

PRINTED NAME

TITLE

RECEIVED

MAR 31 2006

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

**Corporation Commission
Director of Utilities**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME)	La Paz
NAME (OWNER OR OFFICIAL)	Joseph D. Leach
TITLE	Water Manager
COMPANY NAME	Ehrenberg Improvement Association

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 300,024

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 17,155
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Joseph D. Leach
SIGNATURE OF OWNER OR OFFICIAL
918-223-9388
TELEPHONE NUMBER

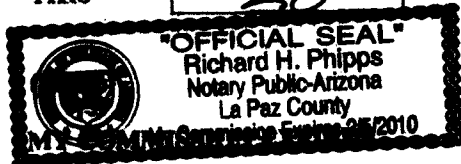
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28th

DAY OF



2-5-2010

NOTARY PUBLIC NAME	Richard H. Phipps
COUNTY NAME	La Paz
MONTH	March
	2006

X Richard H. Phipps
SIGNATURE OF NOTARY PUBLIC

RECEIVED

MAR 31 2006

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

**Z Corporation Commission
Director of Utilities**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	La Paz
NAME (OWNER OR OFFICIAL) TITLE	Joseph D. Leach, Water Manager
COMPANY NAME	Ehrenberg Improvement Association

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

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SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 320,378

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 17,155

IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Joseph D. Leach
SIGNATURE OF OWNER OR OFFICIAL
928-923-9388
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

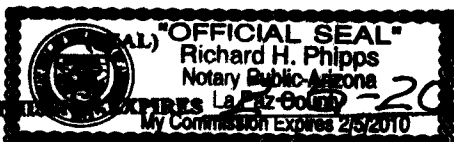
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28th

DAY OF

COUNTY NAME	La Paz
MONTH	March
	2006



MY COMMISSION

Richard H. Phipps
SIGNATURE OF NOTARY PUBLIC